



# Los Angeles County AUDIT COMMITTEE

Clinton Tatum, Chair  
2<sup>nd</sup> District  
Brence Culp, Vice Chair  
3<sup>rd</sup> District  
Louisa Ollague  
1<sup>st</sup> District  
Sheri Sakamoto  
4<sup>th</sup> District  
Angela Mazzie  
5<sup>th</sup> District

## AUDIT COMMITTEE MEETING MINUTES February 20, 2003

Vice-Chairperson Brence Culp called the meeting to order at 1:18 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

### Committee Members Present

Louisa Ollague, First District  
Brence Culp, Third District  
Angela Mazzie, Fifth District

### Committee Members Absent

Clinton Tatum, Second District  
Sheri Sakamoto, Fourth District

### Others in Attendance

DeWitt Roberts, Auditor-Controller  
Pat McMahon, Auditor-Controller  
Jim Schneiderman, Auditor-Controller  
Randi Tahara, Senior Deputy, Second District  
Jean Huston, Deputy, Fifth District  
Judi Thomas, Assistant Director, Fiscal Administration, L.A. County Sheriff's Department  
Ken West, Assistant Director, Personnel Administration, L.A. County Sheriff's Department  
Greg Dragovich, Assistant Director, Financial Programs, L.A. County Sheriff's Department  
Martha Littlefield, Executive Office

### Approval of Minutes

On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved the January 16, 2003 minutes.

### Old Business

Public Library Fiscal Review. The Auditor Controller completed a review of the Library's fiscal operations focusing on internal controls and compliance with County fiscal policies and procedures. The Library has not responded to the Auditor Controller. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved sending a letter requesting that the Library provide a status report in two weeks on the Auditor Controller's recommendations.**

Department of Health Services Delinquent Self-Pay Accounts Follow-Up. Review of the status of the eight recommendations from the July 2001 report regarding the Delinquent Self-Pay Accounts. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Board Required Audits. Auditor-Controller was directed by the Audit Committee to identify audits that no longer serve the objectives originally intended or which are not cost effective. **This item was continued to the March 20, 2003 meeting for additional consultation.**

Department of Health Services – King-Drew Medical Center Countywide Timekeeping and Payroll/Personnel System Follow-up Review. The Auditor Controller's second follow-up regarding the Department's implementation of the July 1999 review recommendations. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Report on Sheriff's Contracting and Purchasing Operations. Judi Thomas, Assistant Director of Fiscal Administration reported that the Contracts Unit has been transferred from the Financial to the Fiscal Division to allow purchasing issues review. Any non-approval purchase must be approved at the division level and comply with County purchasing policies (contract monitoring database and the APM which monitors purchase orders in the event that a contract is required). The Department plans to request the Board's approval of bridge purchase orders to establish contracts so that the Department can maintain authority should it require continued services. There is a shortage of qualified personnel with contract knowledge due to attrition of experienced staff leaving an inexperienced staff to coordinate the ninety-five Board adopted Sheriffs' Department contracts. The Department is working with ISD to supplement current staff's training as a result of the greater caseload. Patrick McMahon stated that the Auditor-Controller has a program currently in place to monitor contracts and could assist the Sheriff's Department. He recommended the Committee invite Maria Oms to discuss the program. Other areas of concern are the Sheriff's methodology for monitoring contracts (overall rates, contract limits, expiration dates), administering contracts, and creating the CAO required report of Departmental activities. **On motion by Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing this report.**

Sheriff's Department's Response to the Follow-up Review Report. Ken West, Assistant Director, Personnel Administration reported that there are 350 positions under review, several sworn position classifications need to be resolved and the financial implications of including more civilian staff are being reviewed. DHR requested the Department place the classification study on hold pending DHR's countywide classification study. In the event of layoffs, a massive restructuring and reevaluation of classifications will be necessary. For timekeeping, the Department uses a "Daily In-Service Sheet" and then "Variance Documents" that require signed approval. Violations were found in the structure and use of both. As of January 1, 2003, the interim card has been eliminated and is now directly input into CWTAPPS. Timekeeping in payroll was restructured and is now a singular function. Overtime issues are affected by deputies' court appearances, vacancy related positions and overtime management and therefore cannot be reduced by hiring additional personnel. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved requesting the Sheriff's Department provide recommendations addressing the Auditor Controller's concerns regarding the timecard process at the March 20, 2003 meeting.**

#### **Reports to be Received and Filed**

Department of Children and Family Services – Child Support Trust Account Review. The Auditor-Controller reported that DCFS had not responded to the recommendation to develop a methodology for reviewing the 3,500 child support ledgers. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved requesting DCFS provide a status report on the Auditor-Controller's**

**recommendations to develop and implement a methodology and to recommend that the Department contact the Auditor Controller for assistance in developing the methodology.**

Audit of the Los Angeles County Regional Park and Open Space District for the Year Ended June 30, 2002. Pursuant to Government Code §26909, the financial statement were audited for the year ended June 30, 2002 by Conrad and Associates, L.L.P who concluded that the financial statements are presented fairly in conformance with generally accepted accounting principles and state regulations governing special districts. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Audit of the Los Angeles County Flood Control District for the Year Ended June 30, 2002. Pursuant to Government Code §26909, the Auditor-Controller audited the financial statements of the Los Angeles County Flood Control District for the year ended June 30, 2002 and concluded that the financial statements were presented fairly in conformance with generally accepted accounting principles and state regulations governing special districts. **On motion of Brence Culp, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

#### **Reports Received**

Fraud Hotline Status Report. Auditor-Controller's Status Report of the effectiveness of the Los Angeles County Fraud Hotline covering a period from 10/01/02 to 12/31/02. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Board of Supervisor Policy Manual – Policy #7.030 Coordination of County Legislative Positions in Sacramento and Washington. Establish the County's position to be advanced before the State Legislature and the United States Congress by County representatives and ensure a consistent and harmonious presentation. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved extending the sunset review date to March 30, 2007.**

Management Audit of the Department of Regional Planning. Management audit performed by Strategica to review organizational structure, staffing, budget, administrative costs and processes to provide recommendations for improving the effectiveness and efficiency of program operations and service delivery. **This item was continued to the March 20, 2003 meeting.**

Board of Supervisors Policy Manual - #5.110 Contract Language to Assist in Placement Activities. Assigns responsibility to the Department of Human Resources to ensure County Departments take all possible measures to locate alternative employment for displaced County workers within their own department, other County departments or the private sector. **This item was continued to the March 20, 2003 meeting.**

Review of Commercial Production Revenue. Board ordered request to the CAO and the Auditor-Controller to conduct a review of fees collected by the Entertainment Industry Development Corporation on behalf of County agencies that participate in

commercial filming activity. **On motion of Brence Culp, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing the report.**

Community and Senior Services' Response to the Financial Review of Women's and Children's Crisis Shelter, Inc. Reply to the September 18, 2002 Auditor-Controller report on the Domestic Violence Supportive Services Program and Emergency Shelter Program. **On motion of Louisa Ollague, seconded by Brence Culp, the Committee unanimously approved receiving and filing the report.**

Court Collection Success Rate. Reviews the CAO' and Auditor-Controller's efforts to develop a success rate and tracking method for a performance-based approach for court collection of delinquent accounts. **This item was continued to the March 20, 2003 meeting.**

#### **Public Comment**

There were none

#### **Matters not on the posted agenda to be presented and placed on the agenda of a future meeting.**

There were none.

#### **Adjournment**

There being no further business to conduct, the meeting was adjourned at 2:24 p.m.